



Testimony to the Appropriations Committee
Health Subcommittee
Department of Developmental Services - February 24, 2022

I am writing to comment on House Bill 5037 AAC the State Budget for the Biennium Ending June 30th, 2023.

From: George Reid-Perry
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To: Senator Osten, Representative Walker, Senator Miner, Representative France and members of the Appropriations Committee:

My name is George Reid-Perry and I am the Senior Director of Adult Services at SARAH Inc. We are a non-profit organization providing services to more than 1400 children and adults with differing abilities across 5 counties, in 50 towns, in Connecticut. My role at SARAH Inc. is facilitate the supports for our adult participants receiving employment services and Day program rehabilitative services. Thank you for allowing me to speak again this year to review the state of our services here in CT.

First, I want to thank you for the 4% Cost of Living Adjustment (COLA) for community nonprofits that you fought to include in last year's budget. While the increase in this year's budget is appreciated, it has quickly been absorbed by rising costs. Over the last year, inflation rose by almost 6%, surpassing the 4% COLA in the current year's budget.

This funding is needed now more than ever. Without it, we risk destabilizing our state's community service delivery system which has been upended by the pressures of COVID-19 and an exponential increase in the need for service in our communities.

In my role at SARAH Inc. I develop and manage our annual budget. From July 2021 through January 2022, we have spent over \$30K on cleaning fees and PPE alone and are on track to spend about \$45k through the fiscal year ending in June, this represents about 5% of our annual budget, prior to COVID we spent about \$20K annually.

In addition to those rising costs, We're facing unprecedented challenges recruiting and retaining staff. How can SARAH Inc., other non-profits, and Connecticut expect to fully support

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thousands of individuals with intellectual/developmental disabilities or delays without the funding needed to back these essential supports?

SARAH Inc. has experienced unprecedented turnover during this fiscal year compared to previous years. Our annualized turnover through January 2022 is nearly 50%, with some programs experiencing near 100% turnover over the past 7 months.

Moreover, non-profit providers funded by the Department of Developmental Services are grateful for the efforts of the Appropriations Committee and Governor Lamont to address wage and funding issues specific to services for the Intellectual/Developmental Disabilities population. Last year's Group Home Settlement provided significant funding to increase the minimum wage for direct support staff in DDS agencies.

However, the group home settlement also created significant challenges:

- First, the terms of the settlement provided wage increases of as much as 11.6% for entry level staff, which next year will increase to 14.5%. But the agreement only provides a 3% increase to everyone else. Staff who before July were making only slightly above the new minimum, often people who had years or decades of experience or managing other staff, found themselves suddenly paid almost the same as a new hire.
- Second, the funding dedicated a pool of dollars to enhance employee benefits, but to date none of that funding has been disbursed to providers. We understand it to total less than half what providers have told DDS they would need.

This is causing significant wage compression issues within organizations. Within SARAH Inc. we have heard from multiple employees with over ten years of experience express their frustration and anger with not receiving a wage increase equal to that of new employees.

During this legislative session we ask that you please help SARAH Inc. and every other essential non-profits by:

- **Ensuring adequate funding for non-profits.** Last year the legislature voted to increase funding for nonprofits by 4%, which was a big step in making up for the chronic underfunding of non-profits. But since then, inflation has been 6%. Please adequately fund non-profits so that there isn't a continued funding deficit and to ensure services will be provided to the most vulnerable residents.
- **Addressing the increasing wage compression issues.** While it is appreciated that minimum wage is being fairly increased for new hires, there are now experienced employees who have been at non-profits for years who are receiving almost the same pay rate due to only an annual 3% salary increase.

We respectfully ask that you remember SARAH Inc. and other agencies like ours during the upcoming legislative session. We are providing essential services without adequate rates to sustainably continue to fund our services.

Thank you,

George Reid-Perry